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Counsel to the Debtors and Debtors in Possession

> IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

- - - - - - - - - x In re: Chapter 11 CIRCUIT CITY STORES, INC., : Case No. 08-35653 (KRH) <u>et</u> <u>al</u>., Debtors. : Jointly Administered - - - - - - - - - x

DEBTORS' MOTION FOR ORDER SHORTENING NOTICE PERIOD AND LIMITING NOTICE OF DEBTORS' MOTION FOR ORDER UNDER 11 U.S.C. §§ 105 AND 363, AND FED. R. BANKR. P. 2002, 9006, AND 9019 AUTHORIZING THE ESTABLISHMENT OF PROCEDURES TO SETTLE CERTAIN PRE-PETITION AND POST-PETITION CLAIMS AND CAUSES OF ACTION WITHOUT FURTHER COURT APPROVAL

The debtors and debtors in possession in the above-captioned jointly administered cases (collectively, the "Debtors") hereby move this Court (the "Motion to Shorten Notice") for an order under section 102 of the title 11 of the United States Code (the "Bankruptcy Code") and Rules 2002, 9006 and 9007 of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules") approving shortened and limited notice for Debtors' Motion for Order under 11 U.S.C. §§ 105 and 363, and Fed. R. Bankr. P. 2002, 9006, and 9019 Authorizing the Establishment of Procedures to Settle Certain Pre-Petition and Post-Petition Claims and Causes of Action Without Further Court Approval (the "Motion"). In support of the Motion to Shorten Notice, the Debtors respectfully represent as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases

The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Circuit City Stores, Inc. (3875), Circuit City Stores West Coast, Inc. (0785), InterTAN, Inc. (0875), Ventoux International, Inc. (1838), Circuit City Purchasing Company, LLC (5170), CC Aviation, LLC (0841), CC Distribution Company of Virginia, Inc. (2821), Circuit City Properties, LLC (3353), Kinzer Technology, LLC (2157), Abbott Advertising Agency, Inc. (4659), Patapsco Designs, Inc.(6796), Sky Venture Corp. (0311), PRAHS, INC. (n/a), XSStuff, LLC (9263), Mayland MN, LLC (6116), Courchevel, LLC (n/a), Orbyx Electronics, LLC (3360), and Circuit City Stores PR, LLC (5512). The address for Circuit City Stores West Coast, Inc. is 9250 Sheridan Boulevard, Westminster, Colorado 80031. For all other Debtors, the address is 9950 Mayland Drive, Richmond, Virginia 23233.

and this Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief requested herein are Bankruptcy Code section 102 and Bankruptcy Rules 2002, 9006 and 9007.

BACKGROUND

- 3. On November 10, 2008 (the "Petition Date"), the Debtors filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code.
- 4. The Debtors continue as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108.
- 5. On November 12, 2008, the Office of the United States Trustee for the Eastern District of Virginia appointed a statutory committee of unsecured creditors (the "Creditors' Committee"). To date, no trustee or examiner has been appointed in these chapter 11 cases.
- 6. On January 16, 2009, the Court authorized the Debtors, among other things, to conduct going out of business sales at the Debtors' remaining 567 stores pursuant to an agency agreement (the "Agency Agreement") between the Debtors and a joint venture, as agent (the "Agent"). On January 17, 2009, the Agent commenced going out of business sales pursuant to the Agency Agreement at the Debtors'

remaining stores. On or about March 8, 2009, the going out of business sales concluded.

RELIEF REQUESTED

7. By this Motion to Shorten Notice, the Debtors request entry of an order shortening the notice period and limiting notice of the Motion so that it can be heard, considered and ruled upon by the Court at a hearing on July 23, 2009.

BASIS FOR RELIEF

- 8. Concurrently herewith, the Debtors filed the Motion. The Motion seeks an order authorizing and approving the settlement procedures outline in the Motion to allow the Debtors to compromise and settle pre-petition and postpetition (1) proofs of claim and administrative expense claim requests, and (2) existing, pending, threatened or contemplated claims, litigation, and causes of action of the Debtors against third parties in these chapter 11 cases without further court approval (collectively, the "Settlement Procedures").
- 9. The Debtors believe it is in the best interest of the Debtors' estates, their creditors, and other parties in interest for the Motion to be heard at the hearing on July 23, 2009 at 11:00 a.m. The delay in filing

the Motion until this point was to provide the Creditors'

Committee with an opportunity to review and provide comments on the Motion and the order approving the Motion. The Creditors' Committee has provided its comments and the Debtors and the Creditors' Committee reached an agreement on the form of the Motion and the proposed order. In addition, the Creditors' Committee consented to having the Motion heard on an expedited basis and on shortened notice.

notice of the Motion to (i) the Office of the United States

Trustee for the Eastern District of Virginia; (ii) counsel
to the agent for the DIP Lenders; (iii) counsel to

Creditors' Committee; (iv) parties who have requested notice
pursuant to Bankruptcy Rule 2002; and (v) the Core Group (as
defined in the Case Management Order entered on November 13,
2008 at Docket No. 130). The Debtors submit that, under the
circumstances, no other or further notice need be given and
in light of the circumstances, such notice is reasonably
calculated to provide timely and adequate notice to the
Debtors' major creditor constituencies and those parties
most interested in these cases.

WAIVER OF MEMORANDUM OF LAW

11. Pursuant to Local Bankruptcy Rule 9013-1(G), and because there are no novel issues of law presented in the Motion to Shorten Notice and all applicable authority is set forth in the Motion to Shorten Notice, the Debtors request that the requirement that all motions be accompanied by a separate memorandum of law be waived.

NO PRIOR REQUEST

12. No previous request for the relief sought herein has been made to this Court or any other court.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court (i) enter an Order, substantially in the form annexed hereto, granting the relief requested herein, and (ii) such other and further relief as may be just and proper.

Dated: July 16, 2009
Richmond, Virginia

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Counsel for Debtors and Debtors in Possession

[Proposed Order]

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> IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

- - - - - - - - x

In re: : Chapter 11

CIRCUIT CITY STORES, INC., : Case No. 08-35653 (KRH)

et al.,

Debtors. : Jointly Administered

ORDER GRANTING DEBTORS' MOTION FOR ORDER SHORTENING NOTICE PERIOD AND LIMITING NOTICE OF DEBTORS' MOTION FOR ORDER UNDER 11 U.S.C. §§ 105 AND 363, AND FED. R. BANKR. P. 2002, 9006, AND 9019 AUTHORIZING THE ESTABLISHMENT OF PROCEDURES TO SETTLE CERTAIN PRE-PETITION AND POST-PETITION CLAIMS AND CAUSES OF ACTION WITHOUT FURTHER COURT APPROVAL

Upon consideration of the Debtors' Motion for Order Shortening Notice Period and Limiting Notice (the "Motion to Shorten Notice") of Debtors' Motion for Order under 11 U.S.C. Authorizing the Establishment of Procedures to Settle

Certain Pre-Petition and Post-Petition Claims and Causes of

Action Without Further Court Approval (the "Motion"); and

the Court having reviewed the Motion to Shorten Notice; and

the Court having determined that the relief requested in the

Motion to Shorten Notice is in the best interests of the

Debtors, their estates, their creditors, and other parties

in interest; and it appearing that proper and adequate

notice of the Motion to Shorten Notice has been given and

that no other or further notice is necessary; and upon the

record herein; and after due deliberation thereon; and good

and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, AND DECREED that:

- 1. The Motion to Shorten Notice is GRANTED.
- 2. Notice of the Motion is shortened so that it may be heard, considered and ruled upon by the Court at a hearing on July 23, 2009 at 11:00 a.m.
- 3. Notice of the Motion is limited to the parties as set forth in the Motion to Shorten Notice.
- 4. This Court will retain jurisdiction with respect to any dispute concerning the relief granted hereunder.

Dated: Richmond, Virginia ______, 2009

UNITED STATES BANKRUPTCY JUDGE

WE ASK FOR THIS:

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CERTIFICATION OF ENDORSEMENT UNDER LOCAL RULE 9022-1(C)

Pursuant to Local Bankruptcy Rule 9022-1(C), I hereby certify that the foregoing proposed order has been endorsed by or served upon all necessary parties.

/s/ Douglas M. Foley

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